-----Original Message-----
From: Clauson, Karen L.
Sent: Monday, August 11, 2003 5:56 PM
To: 'Jodi Smith'
Subject: FW· MTI Reply Comments on DS1 Conditioning Issue

Here are the MTI comments in AZ 271 mentioned in my other email.

-----Original Message-----
From: BRECHERM@gtlaw.com [SMTP·BRECHERM@gtlaw.com]
Sent: Friday, July 25, 2003 4:15 PM
To: klclauson@eschelon.com
Cc: mhazel@mtntel.com; jmanogian@mtntel.com
Subject: Reply Comments on DS1 Conditioning Issue

<<2P2901! DOC>> Karen - Attached is a copy of the reply comments which we are sending to the Arizona Corporation Commission today on behalf of Mountain Telecommunications, Inc. on the Second Staff Report in the 271 proceeding. The comments are limited to the DS1 conditioning issue. Of course, you will receive an official copy via mail as you are on our service list, but I wanted you to see our filing right away. Thanks for your help in providing me with copies of the testimony and other documents.

Rick Brecher

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BEFORE THE ARIZONA CORPORATION COMMISSION

MARC SPITZER
Chairman

JAMES M. IRVIN
Commissioner

WILLIAM MUNDELL
Commissioner

JEFF HATCH-MILLER
Commissioner

MIKE GLEASON
Commissioner

IN THE MATTER OF U S WEST COMMUNICATIONS, INC.'s COMPLIANCE WITH SECTION 271 OF THE TELECOMMUNICATIONS ACT OF 1996	) DOCKET NO T-00000A-97-0238

REPLY COMMENTS OF MOUNTAIN TELECOMMUNICATIONS, INC. REGARDING STAFF'S SECOND REPORT

Mountain Telecommunications, Inc. (MTI) hereby submits its reply comments in the above-captioned matter.

In its initial comments regarding the Staff's Second Report, filed July 18, 2003, Eschelon Telecom, Inc. brought to the Commission's attention a significant change in the manner in which Qwest provides DS1 capable loops. Simply by removing a single word from a provisioning document without any authority from either the Commission or the Federal Communications Commission (FCC) to do so, Qwest has increased the costs to its competitors for DS1 capable loops, failed to process orders, and delayed the provisioning of such loops; and, in doing so, has materially impeded the ability of its competitors to service customers.[1]

Eschelon describes accurately what Qwest has done. Qwest's procedures for requesting construction in connection with certain Unbundled Network Elements are set forth in a Qwest document entitled "Competitive Local Exchange Carrier (CLEC) Requested Unbundled Network Elements (UNE) Construction (CRUNEC)." Pursuant to that document, Qwest did not impose construction charges on requests that could be resolved through facility work or assignments. Among the specific exclusions from CRUNEC construction charges was the following:

> Incremental Facility Work: Completing facilities to an end-user's premises (e.g., <u>Conditioning</u>, place a drop, add a Network Interface Device (NID), Central Office (CO) tie pairs, field cross connect jumpers, or card in existing Subscriber Loop Carrier systems at the CO and Remote Terminal. (emphasis added)

Thus, line conditioning historically had not been subject to "construction" charges (which makes abundant sense given that no construction occurs with line conditioning). Without Commission authority or approval and without change in Qwest's Statement of Generally Available Terms and Conditions (SGAT) or in any interconnection agreement between Qwest and any CLEC (including MTI), Qwest quietly removed the critical word "conditioning" from the above-quoted portion of its CRUNEC document. As a result, Qwest has begun to impose "construction" charges for removing from loops provided as UNEs bridge taps, load coils, low pass filters and range extenders. Such removal is necessary for the loops to be suitable for high speed switched wireline telecommunications capability. Such removal does not require Qwest to engage in

[1] This situation is described in detail in Eschelon's July 18 comments at pp. 4 – 11.

"construction" in any sense of that word or to incur "construction" costs which may be passed on to its UNE customers.

As Eschelon noted in its comments, Qwest's quiet removal of one critical word and resulting increase in the charges for conditioned loops and resulting delay in provisioning orders which do not include CRUNEC "construction" requests occurred almost simultaneously with Qwest's receipt of Section 271 authority in several states. Qwest has not explained nor can it explain how removal of load coils, bridge taps, low pass filters and range extenders suddenly changed from "incremental" facility work to significant construction projects requiring payment of new, unauthorized and wholly unexpected additional fees which Qwest creatively has named "Quote Preparation Fee for Simple Facility Rearrangements." Stated simply, what Qwest has done through the guise of deleting the word "conditioning" from the list of exclusions contained in its CRUNEC document is to require CLECs to pay special fees to Qwest simply to provide those CLECs with price quotes to have done what Qwest is obligated to do under the Communications Act and the FCC's rules governing unbundled network elements – "condition" loops to make them suitable for high speed switched telecommunications. As Qwest itself has candidly acknowledged, it has a "concrete specific legal obligation to provide all types of loops with their attendant functions, features, and capabilities."[2]

These quote preparation fees are not insubstantial. The Quote Preparation Fee being charged by Qwest is $1,685 per DS1 capable loop order. Of even greater importance than these additional charges which are unwarranted and unauthorized, Qwest's treatment of line conditioning as construction requiring "preparation" of price

2 See Checklist Item 4 Unbundled Loops Rebuttal Affidavit of Jean M. Liston, Qwest Corporation, filed with the Commission February 19, 2001 in this docket, at 6.

quotes has caused substantial delays, often in excess of 100 days, in the processing time for new facilities orders. Like Eschelon, MTI has experienced numerous facilities order rejections in the few months following this change As a result, MTI has been unable to deliver timely service to its customers It is difficult to imagine any conduct of any incumbent local exchange carrier that is more anticompetitive and more violative of the letter and the spirit of the 1996 Telecommunications Act than prolonged delays in fulfilling CLEC facility orders under the guise that such orders must be treated as "construction projects" for the simple removal of certain facilities when such removal is necessary in order for the unbundled loops to be suitable for high speed switched telecommunications

Qwest's sudden and unauthorized decision to impose construction charges and dilatory price quote preparation procedures on loop conditioning within weeks of receiving initial Section 271 authorizations for other in-region states is all the more remarkable in light of testimony filed by Qwest in state Section 271 proceedings. For example, on January 19, 2001, Qwest submitted the direct testimony of one of its employees, Jean M. Liston in the Seven State 271 Collaborative Process. That testimony was offered for the express purpose of demonstrating Qwest's purported compliance with item no. 4 of the Competitive Checklist codified at Section 271(c)(2)(B) of the Communications Act. Qwest witness Liston testified that Qwest would condition loops to support CLEC DS1 capable services and explained loop conditioning as follows:

> Basically, loop conditioning is the term used to describe the process of removing load coils, bridge taps, and any other devices from existing copper loops that would negatively impact the transmission of a digital signal. In many cases, the data portion of the loop will not work correctly if there are load coils or certain amounts of bridge taps on the loop.

> Qwest provides CLECs with Loop Conditioning for xDSL services upon request.[3]

Indeed, the witness acknowledged accurately in the testimony that the Federal Communications Commission mandated loop conditioning in its First Report and Order in CC Docket No. 96-98.[4] In short, Qwest's testimony submitted as part of its campaign to win Section 271 relief described loop conditioning, and acknowledged that it was obligated to provide such conditioning as part of its obligation to provide DS1 capable loops. Conspicuously absent from that testimony and from all other filings submitted to the Commission prior to April 2003 is any indication of Qwest's intention to commence imposing construction including price quote, charges and procedures on such loop conditioning on its competitors once it began to win Section 271 authorization. Neither is there any reference to be found in any FCC decision which provides any support whatsoever for the novel proposition that line conditioning constitutes special construction of such a nature as to warrant special procedures, price quote preparation fees, and prolonged provisioning delays.[5]

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[3] Testimony of Jean M. Liston, Qwest Corporation, Seven State 271 Collaborative Process, submitted January 19, 2001 at 18.

[4] Implementation of the Local Competition Provisions of the Telecommunications Act of 1996 (*First Report and Order*), 11 FCC Rcd 15499 (1996).

[5] MTI does not dispute that that Qwest has been authorized by the FCC to impose a TELRIC-based charge for line conditioning. It has that authority and it does charge for conditioning. However, it does not have the authority to impose price quotation and special construction fees in addition to the TELRIC-based conditioning charges.

In considering whether Qwest has complied with the requirements of Section 271, including the Competitive Checklist elements codified at Section 271(c)(2)(B) of the Communications Act, the Commission should be mindful of this latest effort by Qwest to materially increase the charges for unbundled DS1 capable loops. Point no. 4 of the Competitive Checklist is "local loop transmission from the central office to the customer's premises, unbundled from local switching, or other services." Unless and until Qwest abandons its policy of imposing "construction" and price quotation charges for line conditioning, it cannot be found to have fulfilled the requirement codified at Section 271(c)(2)(B)(iv) – point 4 of the checklist.

Respectfully submitted,

MOUNTAIN TELECOMMUNICATIONS, INC.

____

Mitchell F. Brecher

GREENBERG TRAURIG, LLP
800 Connecticut Avenue, NW
Washington, DC 20006
(202) 331-3100

Its Attorneys

July 25, 2003

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing Reply Comments of Mountain Telecommunications, Inc. Regarding Staff's Second Report on all parties of record in these proceedings by mailing a copy thereof, properly addressed with first class postage prepaid to the following:

Timothy Berg FENNEMORE CRAIG 3003 North Central Avenue Suite 2600 Phoenix, AZ 85012	Scott S. Wakefield RUCO 2828 North Central Avenue Suite 1200 Phoenix, AZ 85004
Lyn Farmer, Chief Administrative Law Judge Jane Rodda, Administrative Law Judge Arizona Corporation Commission 1200 West Washington Street Phoenix, AZ 85007	Raymond S. Heyman Michael Patten Roshka, Heyman & DeWulf 400 East Van Buren Street Suite 800 Phoenix, AZ 85004-3906
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Thomas H. Campbell Lewis & Roca 40 North Central Avenue Phoenix, AZ 85007 Thomas F. Dixon, Jr MCI WorldCom 707 17th Street Suite 3900 Denver, CO 80202 Eric S. Heath Sprint Communications Company L.P. 100 Spear Street Suite 930 San Francisco, CA 94105 Paul A. Bullis Division Chief Counsel Office of the Arizona Attorney General Public Advocacy Division 1275 West Washington Phoenix, AZ 85007-2926 Kimberly M. Kirby Davis, Dixon, Kirby, L.L.P. 19200 Von Karman Avenue Suite 600 Irvine, CA 92612 Garry Appel TESS Communications, Inc. 1917 Market Street Denver, CO 80202 Mark N. Rogers Excell Agent Services, L.L.C. 2175 West 14th Street Tempe, AZ 85281 Harry Pliskin Senior Counsel Covad Communications Company 7901 Lowry Boulevard Denver, CO 80230	Suite 2104 San Francisco, CA 94107 Maureen A. Scott Legal Division Arizona Corporation Commission 1200 West Washington Street Phoenix, Arizona 85007 Caroline Butler Legal Division Arizona Corporation Commission 1200 West Washington Street Phoenix, Arizona 85007 Ernest G. Johnson, Director Utilities Division Arizona Corporation Commission 1200 West Washington Street Phoenix, AZ 85007 Curt Huttsell State Government Affairs Electric Lightwave Four Triad Center Suite 200 Salt Lake City, UT 84180 Jonathan E. Canis Michael B. Hazzard Kelly Drye & Warren, L.L.P. 1200 19th Street, NW 5th Floor Washington, D.C. 20036 Andrew O. Isar TRI 4312 92nd Avenue, NW Gig Harbor, WA 98335 Steven J. Duffy Ridge & Isaacson P.C. 3101 North Central Avenue Suite 1090 Phoenix, AZ 85012-1638

David Conn McLeodUSA, Inc. 6400 C Street, SW Post Office Box 3177 Cedar Rapids, IA 52406 Dan Lipschultz Moss & Barnett 4800 Norwest Center 90 South Seventh Street Minneapolis, MN 55402-4129 Richard P. Kolb On Point Communications Two Conway Park 150 Field Drive Suite 300 Lake Forest, IL 60045 W. Hagood Bellinger 4969 Village Terrace Drive Dunwoody, GA 30338 Diane L. Peters Director, Regulatory Services Global Crossing Telemanagement, Inc. 1080 Pittsford Victor Road Pittsford, NY 14534 Bradley Carroll Cox Arizona Telecom, L.L.C. 10401 North 29th Avenue Suite 100 Phoenix, AZ 85027 Barbara P. Schneider LEC Relations Manager-Indusry Policy Z-Tel Communications, Inc. 601 South Harbour Island Boulevard Suite 220 Tampa, FL 33602	Joan S. Burke Osborn & Maledon 2929 North Central Avenue 21st Floor Phoenix, AZ 85067-6379 Diane Bacon, Legislative Director Communications Workers of America 5818 North 7th Street Suite 206 Phoenix, AZ 85014-5811 Traci Grundon Mark P. Trinchero Davis Wright Tremaine LLP 1300 Southwest Fifth Avenue Suite 2300 Portland, OR 97201 Brian Thomas, VP Regulatory -- West Time Warner Telecom, Inc. 520 Southwest Sixth Avenue Suite 300 Portland, OR 97204 Andrea P. Harris Senior Manager, Regulatory Allegiance Telecom Inc. of America 2101 Webster Suite 1580 Oakland, CA 94612 Lyndall Nipps Vice President, Regulatory Compliance Allegiance Telecom of Arizona, Inc. 845 Camino Sur Palm Springs, CA 92262 Jon Poston ACTS 6733 East Dale Lane Cave Creek, AZ 85331

Dated at Washington, D.C., this 25th day of July, 2003.

Michelle D. Diedrick

//125793

-----Original Message-----
From: Clauson, Karen L.
Sent: Friday, August 15, 2003 4:22 PM
To: 'Jodi Smith@usdoj.gov'
Cc: Oxley, J. Jeffery
Subject: follow up/DS1 capable loop issue

In response to your request for details, Eschelon provides the following enclosures. The first enclosure is a summary of the Arizona service inquiry (held order/no build) orders. The next enclosure is the backup detail behind that summary. The third enclosure is a high level summary of examples of the many ways in which this has had a serious adverse impact on Eschelon's business and on end user customers.

Qwest held a conference call with CLECs today about its special construction ("CRUNEC") process. The fourth enclosure is a proposal that 12 CLECs in Qwest territory made with respect to the CRUNEC process before the call. Qwest made its own proposal, which involved "interim" suspension of some but not all of the CLEC-impacting changes that Qwest has made since June 16th. We won't know the extent or impact of the "suspension" until some time after Qwest implements it on August 20th. Also, the suspension is only "interim." While the suspension is pending, CLECs will not be able to document and track data and examples that would be evidence of the problem. As soon as Qwest receives 271 approval, however, Qwest could simply re-implement the same unilateral changes, and the numbers of service inquiry/no build held orders would jump again.

Qwest's violations of process, ICAs, SGAT terms, and commitments to the FCC and state commissions should not be ignored because Qwest temporarily suspends the changes (which it calls a mere "clarification") while 271 is pending. Qwest should be prevented from doing this again, because of the adverse impact on CLECs, end user customers, and competition.

I will be out next week. If you need additional information next week, please call Jeff Oxley at 612-436-6026. Otherwise, please call me if you need anything, after the 26th, when I will be back in the office. Thanks,

12-CLEC Proposal
for today's c...

Karen L. Clauson
Senior Director of Interconnection
Eschelon Telecom, Inc.
730 2nd Ave. South, Suite 1200
Minneapolis, MN 55402
Phone: 612-436-6026
Fax: 612-436-6126

DS1 Capable Loop and DS1 EEL Held Order Fact Sheet

- Eschelon provides T-1 voice and data service over DS1 capable loops and DS1 EELs.
- From January 1st to June 15th, 3 DS1 circuits in Arizona were held for "Service Inquiry" or lack of qualified facilities
- From June 15th to August 12th, 26 DS1 circuits in Arizona were held for Service Inquiry. The detail for these 26 circuits is contained in the attached spreadsheet.
- The table below demonstrates that Qwest is refusing to provision a significant percentage of Eschelon orders and that the problem is getting worse in August.[1]

State	July Percentage of Circuits Held for Service Inquiry/ Qwest No Build Policy	August Percentage of Circuits Held for Service Inquiry/Qwest No Build Policy
Arizona	56 67%	70.00%
Colorado	24.39%	57 14%
Minnesota	19.23%	7.14%
Oregon	23 08%	16.67%
Utah	12.90%	0%
Washington	19 23%	25%
Regional	26.35%	32.26%

- A single DS1 circuit can carry up to 24 access line equivalents (ALEs).
- A customer ordering a T-1 product from Eschelon may frequently orders additional analog lines that Qwest's refusal to deliver DS1 circuits will impact.
- In the six states in the Qwest region that Eschelon operates in, over 1,500 ALEs have been impacted by Qwest's refusal to deliver DS1 circuits

[1] Service Inquiry notifications are received several days after an order is submitted. It is likely that more Eschelon orders submitted in August will receive Service Inquiry jeopardies. Even though the percentage of circuits going held already demonstrates an increased percentage in August, this data, if anything, <u>underestimates</u> the magnitude of the problem.

Purchase Order Number	Local Service Request ID	Qwest Order #	Circuit ID	Order Submission date	Requested Due Date	Date I Comn Recei
AZ297179T1FAC	7178976	N21709334	19HCFU004435MS	06/16/03	06/23/03	
AZ298684T1FAC	7223873	N21495160	19HCFS004478MS	06/19/03	06/26/03	
AZ299110T1FAC	7243757	N22652126	19HCFU004492MS	06/23/03	06/30/03	
AZ299269T1FAC	7267315	N22596005	19HCFU004497MS	06/24/03	07/01/03	
AZ299791T1FAC	7277391	N22659689	19HCFU004503MS	06/25/03	07/02/03	
AZ301239T1FAC	7338847	N23454357	19HCFU004552MS	07/01/03	07/08/03	
AZ300795T1FAC	7348978	N/A	19HCFS004564MS	07/02/03	07/11/03	
AZ302537T1FAC	7373867	N24596715	19HCFS004584MS	07/07/03	07/14/03	
AZ302226T1FAC	7374082	N23713233	19HCFU004569MS	07/07/03	07/14/03	
AZ303112T1FAC	7404014	N24320502	19HCFS004611MS	07/08/03	07/15/03	
AZ302892T1FAC	7388843	N23716094	19HCFU004596MS	07/08/03	07/16/03	
AZ303315T1FAC	7392632	N23780589	19HCFU004603MS	07/08/03	07/16/03	
AZ300515T1FAC	7426792	N24765684	19HCFS004624MS	07/10/03	07/17/03	
AZ304534T1FAC	7481046	N24161676	19HCFU00465MS	07/16/03	07/23/03	
AZ305365T1FAC	7480109	N24423872	19HCFU004654MS	07/16/03	07/23/03	
AZ304755T1FAC	7494012	N24426711	NONE PROVIDED	07/17/03	07/24/03	
AZ309407T1FAC	7513084	N24537010	19HCFU004683MS	07/18/03	07/25/03	
AZ309194T1FAC	7506514	N24287659	19HCFS004703MS	07/18/03	07/25/03	
AZ308439T1FAC	7513301	N20874566	19HCFS004727MS	07/18/03	07/25/03	
AZ315262T1FAC	7629669	N25587168	19HCFU004824MS	07/30/03	08/11/03	
AZ318756T1FAC	7699235	N26992882	19HCFU004873MS	08/06/03	08/14/03	
AZ319960T1FAC	7708131	N25990650	19HCFU004881MS	08/07/03	08/14/03	
AZ308367T1FAC	7699410	N27010760	19HCFU000150MS	07/16/03	08/06/03	
AZ320431T1FAC	7737726	N26408547	NONE PROVIDED	08/11/03	08/18/03	
AZ319578T1FAC	7701298	N25929543	19HCFU004878MS	08/06/03	08/22/03	
AZ320614T1FAC	7737572	N26408512	NONE PROVIDED	08/11/03	08/21/03	

eschelon telecom, inc.

Qwest DS1 Held Orders
Examples of Impact on Eschelon Telecom
August 15, 2003

- **Eschelon Order Process:** Since Qwest changed its DS1 ordering process, Eschelon is forced to place two orders with Qwest. Eschelon places an initial order for the DS1. When Qwest places the loop in service inquiry status (i.e., hold for no build), Eschelon provisioners must place another order via private line/special access. The result is double work by Eschelon provisioners and additional work by Eschelon's engineers, translators and customer service personnel. In addition, Eschelon must expend resources to document and track Qwest order activity for two orders, re-engineer the customer circuit, and reschedule the installation timeframes with the customer. This has a negative impact on resources and overall order throughput.

- **Customer Impacting:** The dual orders required by Qwest has negatively impacted the Eschelon customer experience. Customer installation timeframes have been extended by a minimum of two weeks. We have had several instances in which customers were physically moving their business and were without phone service because the DS1 order was held. Eschelon installed temporary private lines. Eschelon's credibility with the customer is tarnished from the onset because Qwest prevents Eschelon from delivering what was originally proposed.

- **Impact on Cash:** Eschelon is incurring additional expense because Qwest's policy change forces Eschelon to order private lines, which carry higher monthly and non-recurring charges. In addition, Qwest has said that it plans to charge a quote preparation fee, which can range from $600-$1600 per circuit, plus construction charges which have yet to be determined. These inflated rates make it virtually impossible for Eschelon and other CLECs to compete in the DS1 arena. The delay in installation is also lost revenue.

- **Marketing Strategy Change:** The Qwest held order process has forced Eschelon to temporarily shift its acquisition strategy from T-1 to analog sales. As a result, Qwest has forced Eschelon to modify its compensation plan to discourage T-1 sales. Eschelon loses customers that desire T-1 service, and those customers lose the ability to have their carrier of choice

- **Increased Cancel Orders:** Eschelon has experienced a significant increase in customer initiated cancelled orders as a result of the held orders.

- **Engineering Expense & Resources:** Because an additional private line is being ordered, two access points of termination ("APOTs") are tied up, when parallel orders are placed: one for the original DS1 order and one for the private line order. This takes up an additional Line Equipment Number ("LENs") on a switch, and there are only so many LENs per switch. This consumes a needed resource (so parallel orders are not always possible). In addition, Qwest's policy change has increased Eschelon's Network Operations group's workload. Engineering is required to connect to an additional APOT for the private line and then disconnect the original order. This is in addition to the double work done for provisioning.

-----Original Message-----
From: Clauson, Karen L.
Sent: Monday, September 15, 2003 6:49 PM
To: 'Jodi.Smith@usdoj.gov'
Subject: DS1 capable loop - Eschelon supplemental comments to CMP

Here are additional comments that Eschelon sent to Qwest CMP regarding the status of the DS1 capable loop issue after the AZ 271 hearing on Monday.

Karen L. Clauson
Senior Director of Interconnection
Eschelon Telecom, Inc.
730 2nd Ave. South, Suite 1200
Minneapolis, MN 55402
Phone: 612-436-6026
Fax: 612-436-6126

-----Original Message-----
From: bjjohnson@eschelon.com [SMTP:bjjohnson@eschelon.com] <mailto:[SMTP:bjjohnson@eschelon.com]>
Sent: Thursday, September 11, 2003 9:26 AM
To: bjjohnson@eschelon.com
Subject: PROS.08.27.03.F.01173.DS1CapableLoop_IntProc --- ---

Thank you for submitting your comments through the Qwest CMP Document Review and Comment Process.
The information you entered is listed below.
If you have any questions, please direct them to cmpcomm@qwest.com.

= =

Notice Number: PROS.08.27.03.F.01173.DS1CapableLoop_IntProc

Document Name:

Document Version Number:

Document History Log Line Number:

Comment:

Eschelon submitted comments on this notice on August 29, 2003. The deadline for comment is not until September 11, 2003, and Eschelon submits these timely supplemental comments on this issue.

At an Open Meeting on September 8, 2003 in Arizona, the AZ Commission voted to approve an Order containing the following language:

"109. Staff agrees with Eschelon with respect to the recently imposed construction charges on CLECs for line conditioning. Staff is extremely concerned that Qwest would implement such a significant change through its CMP process without prior Commission approval. As noted by AT&T, during the Section 271 proceeding, the issue of conditioning charges was a contested issue. Language was painstakingly worked out in the Qwest SGAT dealing with the issue of line conditioning which Qwest's new policy is at odds with. Staff recommends that Qwest be ordered to immediately suspend its policy of assessing construction charges on CLECs for line conditioning and reconditioning and immediately provide refunds to any CLECs relating to these unauthorized charges. Qwest should reinstitute its prior policy on these issues as reflected in its current SGAT. If Qwest desires to implement this change, then it should notify the Commission in Phase III of the Cost Docket, but must obtain Commission approval of such a change prior to its implementation. To the extent Qwest does not agree to these conditions, Staff recommends that Qwest's compliance with Checklist Items 2 and 4 be reopened. We agree with Staff."

In addition, at the same Open Meeting, counsel for Qwest agreed to return "100%" to the processes in place before June 2003. (This is in addition to the representation that Qwest made to the AZ Commission at the 8/21/03 Open Meeting that "everything is going back to the way it was before June 15 ") (Tr. p. 40, lines 22-24)). Before June 15, Qwest had in place a non-interim process that resulted in a low level of jeopardy notices for service inquiry/no build. Eschelon's expectation, based on the AZ Order and Qwest's representations to the Commission, is that the non-interim process is in place, and levels will return to where they were before June 15. In addition, Eschelon expects that Qwest will seek prior Commission approval before attempting to make such changes in the future.

-----Original Message-----

From: Clauson, Karen L.
Sent: Tuesday, September 16, 2003 9:45 AM
To: 'Jodi.Smith@usdoj.gov'
Cc: Oxley, J. Jeffery
Subject: additional issues

Peter Gray had left a message asking about any other issues. I left him a message indicating that, given the fact that the FCC has already approved Qwest in 13 other states and limited resources, we may not be filing comments. That does not mean that Eschelon does not object to 271 approval, but Eschelon has to be realistic about the likely outcome in a resource short world. I don't have Peter's email address. Perhaps you could forward this to him, in case he has questions

I also indicated in my message that Eschelon does have other issues:

1. OSS - essentially the same issues as MCI (see enclosed letter).

a. Reject Rates (2nd paragraph): Eschelon uses EDI for loop orders and GUI for off-net orders. We checked a recent week, and we also had approximately 44% reject rates for EDI. For the GUI, there is an up-front edit so there is no count. We do get many of these.

b. MCI #1 - Insufficient documentation to require Qwest to correct software defects impacting LSR processing within specified timeframes. This is a significant issue for us. On 8/29/03, the CLECs (including Eschelon) voted unanimously in favor of MCI's proposed language, but Qwest voted no. In CMP, Qwest has essentially a veto power. This is a significant issue for CLECs, but Qwest has made no commitment to do anything about it.

c. MCI#2 - Migrate by TN - (This issue is mentioned in paragraph 23, p. 8, lines 11013 of the Staff's AZ 271 Proposed Order, recently adopted by the AZ Commission. Eschelon also asked for this capability. Eschelon has not implemented use of it yet; it has observed the problems MCI is having with it. When Qwest implements a systems change, it should have the processes in place to account for the change. In the Proposed (now adopted Order), the Staff states that Qwest has verified this issue has been resolved in CMP, but that is not the case.

d. MCI #3 - Migrate as specified - Eschelon asked for a solution to the "mapping" problem described in paragraph 24, p. 8, lines 9-11, in the AZ 271 case in September of 2000. Although Qwest said it was finally delivering an "end state" view, Qwest did not do so for features that drive blocking and hunting requests. These are in demand, needed features. Without these, there really is no true end state (i.e., when the provisioner does not have to look at was previously on the line but instead can deal with what is being requested). In the Proposed (now adopted Order), the Staff states that Qwest has verified this issue has been resolved in CMP, but that is not the case.

e. MCI #4 - Reason for high reject rates - A check of recent loop (EDI) orders showed that approximately 1/3 of the rejects were due to the service address validation issue. For the GUI, there is an up-front edit so there is no count.

f. MCI #5 - Multiple CSRs for subsequent order activity - Eschelon uses EDI for loops at this time, and there isn't much subsequent order activity with loops. With the GUI, the issue is somewhat different, although CLECs do still have to select a CSR from multiples. Eschelon will have this same problem for its off-net orders once it moves to EDI

2. PO-20 (comparison of service orders to LSRs for service order errors): Service order errors remain a significant problem. As a result of CRs submitted by Eschelon to CMP, Qwest has finally documented many of its processes requiring manual handling. In its current form, however, PO-20 is worse than having no measure at all. Qwest has created an exception (for "CFLAGs" and later "PIA") that swallows the rule. If there are ten errors on a service order, only one of which is associated with a CFLAG, Qwest will count the error as accurate, despite the nine other errors. This will result in masking the problem, because Qwest's results will show positive performance when in fact service order errors exist that are not being counted.

3. Other complaints/issues/DUF: The FCC said (in its Order, 02-314, 12/20/02, paragraph 130 & note 481) that Eschelon could pursue its issues against Qwest in other settings/through dispute resolution, even if the FCC does not recognize the issue as a 271 issue. [Eschelon has disputes that are not yet formal complaints but may become complaints (For example, Eschelon has a dispute pending with Qwest in the amount of approx. $700,000 relating to the SS7 issues that are the subject of several complaints against Qwest. (See separate email.)]

a. Eschelon has complaints pending against Qwest in federal court and before state commissions. Other CLECs also have filed complaints against Qwest. (I'll forward an email listing matters by Eschelon and other CLECs separately).

b. For example, Eschelon has a complaint pending in federal court against Qwest on the DUF/missing minutes issue. (Copy enclosed in separate email on pending matters.)

c. PrairieWave (fka McLeodUSA) has submitted a settlement agreement for approval in some of its states. The motion to approve the settlement agreement states that "The Agreement resolves the dispute in this Docket exclusively between Qwest and PrairieWave." At least one of the terms, however, is an ongoing obligation that Eschelon and perhaps other CLECs would like to take advantage of as well. Eschelon believes that Qwest's agreement to provide an "additive" to PrairieWave confirms Eschelon's long-standing assertion that Qwest's usage has been understated. Eschelon sent an email (excerpt copied below) to Qwest (Nancy Batz) on 9/4 asking whether Qwest will also provide the additive to Eschelon/other CLECs, but Qwest has not responded.

From 9/4 Eschelon email to Qwest:

> "I was reviewing the Settlement Agreement between PrairieWave Communications Inc. vs Qwest Corporation [MN PUC Docket No. P-421-CO2-1439 and South Dakota PUC Docket No. CT02-039], and I noticed part of the settlement related to TUT record processing.

Specifically, in Exhibit A, Steps to Assign Local/Toll Jurisdiction, Section 4 Determine Toll MOU to be billed to Qwest, it states:

"a. Total Toll MOU billed to Qwest will be based on the MOU recorded in the Qwest Terminating Usage Tracking (TUT) reports or from Clearinghouse for Access Records Distribution System (CARDS), depending on which is available.

b. An ILEC Additive will be added to the TUT MOU to account for the MOU that are PIC'd to Qwest by customers who reside in non-Qwest exchanges. The additive in MN is 52%. This additive is subject to periodic change to reflect approximations of ILEC originated/Qwest PIC'd calls."

Qwest provides Eschelon with a TUT usage spreadsheet for Qwest carried intraLATA toll traffic terminating to lines served by Eschelon switches. However, Eschelon has always believed this usage is understated and have advised Qwest of this belief in the past.

Can you confirm the following:

1. Does Eschelon receive this "additive" for Qwest carried intraLATA toll traffic originated by non-Qwest local exchange customers? If not, please explain why. If so, please advise Eschelon what this additive is in each state for Eschelon traffic. Also, if so, why isn't this additive reflected on the toll usage report you provide.

2. For UNE-P terminating traffic, is Eschelon receiving usage records for Qwest carried intraLATA toll trafic originated by non-Qwest local exchange customers and terminating to an Eschelon UNE-P line?"

Please call me if you have any questions.

Karen L. Clauson
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MCI OSS letter.

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August 26, 2003

William Mundell, Commissioner
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

Re. Docket No. T-00000A-97-0238, Qwest's 271 Application

Dear Commissioner Mundell:

I have been advised by the Commission Staff that during the open meeting held August 21, 2003, you asked if anyone knew of any problems that had arisen with Qwest Corporation's ("Qwest") operation support systems ("OSS") in other states since its 271 applications were approved.

MCI's overall mass market (consumer) local exchange carrier ("LEC") reject rate for orders submitted was 15.4% for all Bell operating companies combined for the week ended August 15, 2003. The Qwest reject rate dropped below 30% for the first time that week to 28.4%. The overall small business market LEC reject rate was at 41.3%. The Qwest reject rate for small business orders was 40.7%. Below is a summary of our most recent experiences with Qwest's OSS and OSS documentation that impacts rejection of our orders in Qwest's OSS.

1. Intermediated Access ("IMA") is the method provided by Qwest for CLECs to access Qwest's OSS and process local orders. IMA solely impacts CLECs ordering practices and is not used by Qwest's retail side of its business. The current Change Management Process ("CMP") document lacks sufficient language to require that within specific timeframes Qwest correct software defects when the defect impacts CLECs' abilities to process local service requests ("LSRs"). Without such language, CLECs have no guarantees from Qwest that software defects will be fixed in a timely manner. A defect in the software means the system is not working in accordance with Qwest's published business rules. In turn, when a defect is identified, it is inappropriate for Qwest to simply update the document accordingly because it then places the burden on CLECs to adjust coding they implemented based on the prior documented business rules. In April 2003, MCI initiated a change request through CMP to provide such language that will be subject to a unanimous vote. It is anticipated that Qwest will reject the change request based upon attempts to negotiate a resolution through the CMPO process.

2 Qwest must synch up system edits with those being performed manually by their Interconnect Service Center ("ISC") personnel. Qwest implemented a system change request that would allow migration order types (UNE-P migrations) to be processed by entering the telephone number and house number only. The intent of the "migrate by TN" change request was that less information would be required on the order than was required prior to the change that would result in less rejects for CLECs. After implementation, MCI saw a significant increase in migration order manual rejects and noted that the ISC personnel were editing more than what was required. A process change was implemented by Qwest after MCI provided examples of the out of synch condition between systems/manual processing of LSRs. A process must be established by Qwest to synch up system and manual edit processing. Qwest has agreed that the process is necessary, but there is no formal commitment to begin.

3. When Qwest implemented what was expected to be Industry Standard "migrate as specified" ordering requirements, it neglected to provide "end-state" view requirements for features that drive blocking and hunting requests. In accordance with a Z-tel change request, Z-Tel requested "the ability to migrate customers as specified without having to list changes to the customer's current feature set." Qwest continues to require a distinction be made between what exists and what is changing for blocking and hunting features.

4. When Qwest system edits are not documented or documented incorrectly, CLEC local orders are either rejected and/or incorrectly provisioned. MCI recently discovered a Qwest back-end system edit that is attempting to validate complete address information that is not required under Qwest published business rules. The edit requires address information be an exact match to what is listed in Qwest PREMIS database and can be retrieved via a preorder service address validation ("SAV") query. Not only are the address fields not supposed to be edited, but CLECs are not and should not be required to perform an SAV preorder query because it increases order processing timeframes. Moreover, an update to documentation would place the burden on CLECs to make system changes to accommodate what should have been documented correctly in the first place.

Another significant issue that can result when documentation is not adequately reflecting how the system is working is requested end user services are not provisioned. Qwest recently determined that blocking features are required to be provided in alphabetical order because that is how the system "expects" blocking features. If blocking features are not provided in alphabetical order, Qwest may only provision those that are provided for in alphabetical order, thus an out of synch condition may exist between what was requested and what Qwest provisioned. At this time the impact of this problem is unknown but Qwest was requested to provide analysis between LSR requests and Service Orders provisioned to determine the impact.

5. Qwest cannot provide to CLECs the most current customer service record ("CSR") because it maintains retail CSRs as "live" until the end user's bill is rendered, paid and posted to Qwest billing system. When a CLEC migrates a local customer,

Qwest houses two active customer service records. One with Qwest retail information and one that is generated for the CLEC when the customer migrates. The IMA system determines which CSR is valid per order by the use of a customer code identifier internally tracked by Qwest. If the CLEC is requested by the end-user to change and/or correct what was provisioned, CLECs must distinguish which CSR is the customers and provide the valid customer code or the order will reject. MCI initiated a change request to eliminate multiple match conditions (SCR102202-01 - Customer Service Record) on October 22, 2002. While Qwest implemented changes to reduce multiple CSR scenarios, it did not address the intent of the original request which referenced the largest impact to CLECs. That is post migration when CLECs are most impacted by multiple CSR conditions 100% of the time until Qwest rendered, billed and posted the retail end user's final bill. Thus, MCI continues to see a large volume of rejects that are a result of multiple match CSR conditions.

A copy of this letter is being docketed and sent to all parties on the service list and being e-mailed to parties as well.

Sincerely yours,

Thomas F. Dixon

-----Original Message-----
From: Clauson, Karen L.
Sent: Tuesday, September 16, 2003 2:49 PM
To: 'Jodi.Smith@usdoj.gov'
Cc: Oxley, J. Jeffery
Subject: DS1 capable loop update

A problem has arisen with respect to the DS1 capable loop issue. Qwest has said that it will convert the lines that CLECs had to order as private lines (because of Qwest's invalid CRUNEC policy) to DS1 capable loops to help remedy this situation. Now that Eschelon has attempted to take Qwest up on that commitment, however, Eschelon has found that Qwest's process does not work. The process on the web (which Qwest told Eschelon it had used to perform "thousands" of such conversions) is too high level and does not provide enough information to convert the lines. Qwest provided a more detailed process to Eschelon, but it did not work. It appeared that Qwest had not notified or trained its centers on the process. The circuit id numbers, for example, are supposed to change from the private line id to the DS1 capable loop id, but didn't do so. Qwest only processed 3 orders under that process.

Qwest provided a second detailed process to Eschelon. That process doesn't work either, and conversion orders are at a standstill. (Qwest is requiring CLECs to submit LSRs to convert the lines, even though CLECs have already had to submit two LSRs for these lines -- one for the rejected DS1 capable loop order and another for the private line. This third LSR submission is more work and expense that Qwest's invalid policy has placed on CLECs.) It appears that Qwest is saying that the second process doesn't work because Qwest, in developing it, did not account for the differences between EDI and GUI users and the different versions of those. A Qwest edit in IMA is preventing the orders from executing.

Eschelon needed to get all of the conversion LSRs submitted ASAP so that this issue does not continue to affect later months. Now, however, there is a delay while Qwest tries to establish a working process. When developed, it should be documented and accessible to CLECs so other CLECs don't have to have these problems as well.

Although Qwest is indicating that it is converting the private lines to DS1 capable loops, the process doesn't work at this time.

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